DOD Systemic Material Weaknesses

The Office of the Secretary of Defense (OSD) is reporting eight DOD systemic management control material weaknesses in FY 2003. These DOD systemic material weaknesses and the Army material weaknesses that are related are:

<u>Financial Management Systems and Processes</u>: Two Army material weaknesses are related to this DOD systemic weakness.

-- Financial Reporting of General Equipment (page B2-14)

-- Financial Reporting of Real Property (page B2-4)

<u>Information Assurance</u>: One Army material weakness is related to this DOD systemic weakness:

-- Information Systems Security (page B2-11)

<u>Environmental Liability</u>: One Army material weakness is related to this DOD systemic weakness:

-- Management of Unexploded Ordnance (page B2-10)

<u>Management of Munitions and Explosives</u>: One Army material weakness is related to this DOD systemic weakness.

-- Management of Unexploded Ordnance (page B2-10)

<u>Personnel Security Investigations Program</u>: No Army material weaknesses are related to this DOD systemic weakness. While the Army is concerned about the impact of this DOD systemic weakness on its day-to-day operations, the responsibility for corrective action lies outside the Army.

<u>Real Property Infrastructure</u>: No Army material weaknesses are related to this DOD systemic weakness.

<u>DOD Card Program Management</u>: One Army material weakness is related to this DOD systemic weakness:

-- Army Purchase Card Program (page B2-5)

In addition, the Army is working closely with OSD to address problems of card misuse and delinquency on the Travel Card Program and to aggressively implement solutions. As this program operates under a single DOD task order and policy directive, and these corrective actions are mostly DOD-wide in nature, the Army believes the single DOD systemic weakness is most appropriate.

<u>Contracting for Services</u>: One Army material weakness is related to this DOD systemic weakness.

-- Contract Administration of Service Contracts (page B2-1)